

FLORIDA
PUBLIC
TELECOMMUNICATIONS
ASSOCIATION

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June 28, 1996

DOCKET FILE COPY ORIGINAL

Office of the Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

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JUL 1 1996
FCC TEL ROOM

Re: Notice of Proposed Rulemaking - Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996 - CC Docket No. 96-128

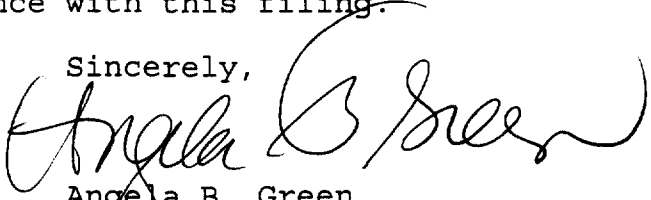
Dear Sir:

Enclosed please find the original and fourteen copies of the Comments of the Florida Public Telecommunications Association, Inc. in response to the Notice of Proposed Rulemaking released by the Federal Communications Commission on June 6, 1996, in the above-captioned proceeding. Also enclosed is a diskette containing a copy of this filing in both ASCII and Word Perfect 6.0 for DOS formats.

Copies of this filing have been served as indicated on the Certificate of Service attached to the Comments.

Thank you for your assistance with this filing.

Sincerely,


Angela B. Green
General Counsel

Enclosures

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**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

In the Matter of:)
)
Implementation of the Pay)
Telephone Reclassification and)
Compensation Provisions of the)
Telecommunications Act of 1996)
_____)

CC Docket No. 96-128

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SUMMARY

The Florida Public Telecommunications Association, Inc. ("FPTA") fully supports the Comments filed by the American Public Communications Council, Inc. In addition, the FPTA suggests an additional alternative on the issue of fair compensation for local coin calls.

**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554**

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Compensation Provisions of the)	
Telecommunications Act of 1996)	
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**COMMENTS OF THE
FLORIDA PUBLIC TELECOMMUNICATIONS ASSOCIATION, INC.**

The Florida Public Telecommunications Association, Inc. ("FPTA"), through its undersigned attorney, hereby submits the following comments in response to the Notice of Proposed Rulemaking ("NPRM") released by the Federal Communications Commission ("FCC" or the Commission) on June 6, 1996, in the above-referenced docket.

STATEMENT OF INTEREST

FPTA is a domestic, not-for-profit corporation organized pursuant to Chapter 517, Florida Statutes. The membership of FPTA includes more than 100 competitive payphone service providers ("PSPs"), as well as numerous other companies that provide products and services to the pay telephone industry. FPTA's goals include, among other things, promoting competition along with a high level of service in the telecommunications market. FPTA members subscribe to a code of ethics that applies to all of their business operations, not just the telecommunications field. FPTA holds regularly scheduled meetings for its members and offers numerous educational seminars, thus ensuring that its membership is well

Florida Public Telecommunications Association
June 28, 1996

informed on the legal regulatory, and technical issues that impact the provision of telecommunications services to the public.

COMMENTS

FPTA fully supports the comments filed by the American Public Communications Council, Inc. ("APCC") in this proceeding. FPTA finds the rationale put forth by the APCC compelling and urges the FCC to adopt the APCC's suggestions in their entirety. The purpose of FPTA's separate comments is to suggest an additional alternative on the issue of fair compensation for local coin calls (discussed in Section III.A.2.a., paragraphs 19-22, of the NPRM).

The FCC correctly states in the NPRM that Section 276 of the Act requires the Commission to ensure that PSPs receive fair compensation for each interstate and intrastate call made over their telephones, including local coin sent-paid calls. In seeking comment on the question of how far to exercise its jurisdiction, the Commission has suggested three alternatives for ensuring fair compensation for local coin sent-paid calls. The Commission's first option is to set a nationwide local coin rate for calls originated at pay telephones. The second stated option is for the Commission to prescribe specific national guidelines that states would use to establish a local coin rate that would ensure that all PSPs are fairly compensated. The last option given in the NPRM is for the Commission to defer to the states to continue to set coin rates for local payphone calls according to factors within their

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discretion, with some type of complaint or petition process to the FCC available to obtain review of the state's action.

For all of the reasons advanced by the APCC in its comments, FPTA supports adoption of a nationwide local coin rate for all calls originated from pay telephones. In Florida, the current rate cap for local calls placed from pay telephones is 25¢. This rate cap also applies to calls within any extended area service ("EAS") routes and extended calling service ("ECS") calls. This rate has been in effect since August 1977 in most areas of the state and since December 1984 in remaining areas of the state. By state statute, the local coin rate charged by competitive PSPs is capped at the local coin rate charged by the local exchange company ("LEC"). Accordingly, the costs incurred by competitive PSPs and, consequently, their ability to earn a fair return simply do not enter into the equation.

During the time period the above rate cap has been in effect, PSPs have continued to experience increasing costs for necessary business expenses such as labor, motor vehicles, health insurance, taxes, and worker's compensation premiums, without having the ability to fully recoup these costs. By way of example, in 1977 the minimum wage was \$2.30 and a first class postage stamp cost 13¢. Today, the minimum wage is \$4.25 and a first class stamp is priced at 32¢. The prices of most other goods and services have followed similar trends over the same time period. Additionally,

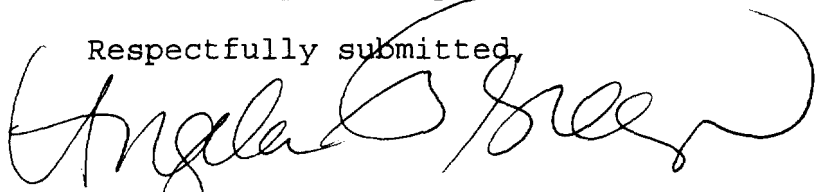
Florida Public Telecommunications Association
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once all subsidies for LEC payphone operations have been eliminated, LEC pay telephone operations will face the same cost issues as competitive PSPs.

FPTA has concluded, as has the APCC, that it is imperative for the FCC to adopt a nationwide uniform local coin rate in order to comply with Section 276's mandate of ensuring fair compensation. Even so, we understand there could be some situations where the nationwide uniform local coin rate might not be appropriate because of special circumstances in a given state or in a particular area within a given state. Therefore, FPTA would suggest the Commission entertain a fourth option, which would be to adopt a nationwide uniform local coin rate with an express provision that would allow an individual state to petition for a variance from the nationwide cap. FPTA believes such a mechanism would alleviate any concerns the states might have regarding control over areas of clear local concern.

In conclusion, we urge the FCC to adopt a nationwide uniform local coin rate for calls originated at pay telephones.

Respectfully submitted,

A large, stylized handwritten signature in black ink, appearing to read "Angela B. Green".

Angela B. Green
Florida Public Telecommunications
Association, Inc.
125 S. Gadsden St., Suite 200
Tallahassee, Florida 32301

CERTIFICATE OF SERVICE

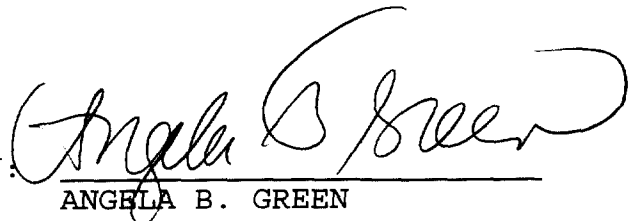
I HEREBY CERTIFY that copies of the foregoing Comments of the Florida Public Telecommunications Association, Inc. were furnished by Federal Express overnight service this 28th day of June, 1996, to the following:

Office of the Secretary
Federal Communications Commission
1919 M Street, N.W.
Washington, D.C. 20554

Enforcement Division
Common Carrier Bureau
Room 6008
2025 M Street, N.W.
Washington, D.C. 20554

ITS, Inc.
2100 M Street, N.W.
Suite 140
Washington, D.C. 20037

BY:

A handwritten signature in cursive script, appearing to read "Angela B. Green", is written over a horizontal line.

ANGELA B. GREEN

DOCUMENT OFF-LINE

This page has been substituted for one of the following:

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- o Microfilm, microform, certain photographs or videotape.
- o Other materials which, for one reason or another, could not be scanned into the RIPS system.

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1 Diskette